

CIRCULAR LETTER

To

ALL NON-BANK CORPORATIONS IN INDONESIA

Subject: Second Amendment of Bank Indonesia Circular Letter Number 16/24/DKEM dated 30 December 2014 concerning the Implementation of Prudential Principles in Managing External Debt of Non-Bank Corporation.

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Pursuant to Bank Indonesia Regulation Number 16/21/PBI/2014 concerning the Implementation of Prudential Principles in Managing External Debt of Non-Bank Corporation (State Gazette of the Republic of Indonesia Number 394 of 2014, Supplement to State Gazette of the Republic of Indonesia Number 5651), as amended by Bank Indonesia Regulation Number 18/4/PBI/2016 (State Gazette of the Republic of Indonesia Number 74 of 2016, Supplement to State Gazette of the Republic of Indonesia Number 5874), it is necessary to issue the second amendment to Bank Indonesia Circular Letter Number 16/24/DKEM dated 30 December 2014 on the Implementation of Prudential Principles in Managing External Debt of Non-Bank Corporation, as amended by Bank Indonesia Circular Letter Number 17/18/DKEM dated 30 June 2015, as follows:

1. Provision of points I.A.2 is amended so as to read as follows:
2. Accounts receivable referred to in point 1.e. is regulated as follows:
  - a. Accounts receivables consist of account receivables to Residents and non-Residents that will due:
    - 1) up to 3 (three) months from the end of the quarter; and/or

2) between 3 (three) and 6 (six) months from the end of the quarter.

that are sold in an outright manner or irrevocable and after deduction of allowance for impairment of receivables.

- b. Accounts receivable to Residents as referred to in letter a is calculated as a component of Foreign Currency Assets provided that they have entered into a contract or agreement executed prior to 1 July 2015 until the written agreement expiration.
- c. Accounts receivable to Residents whose contract or agreement is signed on 1 July 2015 may be calculated as Foreign Currency Assets provided that:
  - 1) it is related to strategic infrastructure projects and is approved by Bank Indonesia; or
  - 2) underlying of transactions can be conducted in Foreign Currencies as specified under Bank Indonesia Regulation concerning mandatory use of the Rupiah within the territory of Republic of Indonesia.

The scope of infrastructure projects considered for acknowledgment as strategic infrastructure projects refers to Appendix III constituting an inseparable part of this Bank Indonesia Circular Letter.

- d. Determination of strategic infrastructure projects as referred to in point c.1) is evidenced by:
  - 1) statement letter from the competent ministry or governmental institution; and
  - 2) approval letter from Bank Indonesia.
- e. The Accounts receivable as referred to in point c.2) is evidenced by approval letter from Bank Indonesia under Bank Indonesia Regulation concerning mandatory use of Rupiah within the territory of Republic of Indonesia.

2. Provision of point II.2 is amended as to read as follows:

2. Exemptions from the mandatory minimum Credit Rating will be granted for:

- a. External Debts in Foreign Currencies applied to substitute the previous External Debts (refinancing);
- b. External Debts in Foreign Currencies for infrastructure project financing sourced:
  - 1) entirely from international (bilateral or multilateral) creditors;
  - 2) from syndicated loans with contribution of international (bilateral or multilateral) creditors of more than 50% (fifty percent);
- c. External Debts in Foreign Currencies for financing of central and regional government's infrastructure projects;
- d. External Debts in Foreign Currencies guaranteed by international (bilateral or multilateral) institutions;
- e. External Debts in Foreign Currencies in the form of trade credit;
- f. External Debts in Foreign Currencies in the form of other loans; or
- g. External Debts in Foreign Currencies of finance company, which meet the following criteria:
  - 1) the finance company have at least "Sound" Financial Soundness Level last issued by the Financial Services Authority (OJK); and
  - 2) the finance company fulfill the maximum gearing ratio as specified by OJK.
- h. External Debts in Foreign Currencies of Indonesia Eximbank (LPEI).

The scope of infrastructure projects as referred to in letter b and letter c is specified in Appendix III constituting an inseparable part of this Bank Indonesia Circular Letter.

3. Appendix I is amended, and therefore, it reads as set forth in Appendix I constituting an inseparable part of this Bank Indonesia Circular Letter.
4. 1 (one) appendix is added as Appendix III constituting an inseparable part of this Bank Indonesia Circular Letter.

This Bank Indonesia Circular Letter shall commence on 22 April 2016.

For public recognition, it is hereby ordered that this Bank Indonesia Circular Letter be promulgated in the State Gazette of the Republic of Indonesia.

BANK INDONESIA,

JUDA AGUNG

HEAD OF ECONOMIC AND  
MONETARY POLICY DEPARTMENT

## APPENDIX I

BANK INDONESIA CIRCULAR LETTER

NUMBER 18/6/DKEM, DATED 22 APRIL 2016

CONCERNING

THE SECOND AMENDMENT OF BANK  
INDONESIA CIRCULAR LETTER NUMBER  
16/24/DKEM DATED 30 DECEMBER 2014  
CONCERNING THE IMPLEMENTATION OF  
PRUDENTIAL PRINCIPLES IN MANAGING  
EXTERNAL DEBT OF NON-BANK  
CORPORATION

**LIST OF RATING AGENCIES APPROVED BY BANK INDONESIA FOR THE**  
**APPLICATION OF PRUDENTIAL PRINCIPLES TO MANAGE NON-BANK**  
**CORPORATE EXTERNAL DEBT**

Name of Rating Agency		BB- Equivalent Rating
<b>Domestic Rating Agencies</b>	PT. Pemeringkat Efek Indonesia (PEFINDO)	id BB-
	PT. Fitch Ratings Indonesia	BB-(idn)
<b>International Rating Agencies</b>	Moody's Investors Service	Ba3
	Standard & Poor's	BB-
	Fitch Ratings	BB-
	Japan Credit Rating Agency	BB-
	Rating and Investment Information Inc.	BB-

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APPENDIX III  
BANK INDONESIA CIRCULAR LETTER  
NUMBER 18/6/DKEM, DATED 22 APRIL 2016  
CONCERNING  
THE SECOND AMENDMENT OF BANK  
INDONESIA CIRCULAR LETTER NUMBER  
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CONCERNING THE IMPLEMENTATION OF  
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CORPORATION

**LIST OF SCOPE OF INFRASTRUCTURE PROJECTS**

- a. Transportation infrastructures among others are:
  - 1) provision and/or management of airport facilities and/or services, including supporting facilities, such as passenger and cargo terminal;
  - 2) provision and/or management of seaport facilities and/or services;
  - 3) railway facilities and/or infrastructures;
  - 4) facilities and/or infrastructures of urban mass transport and traffic; and/or
  - 5) facilities and/or infrastructures of sea, river, and/or lake crossing.
- b. Road infrastructures among others are:
  - 1) arterial, collector, and local roads;
  - 2) toll roads; and/or
  - 3) toll bridge.
- c. Water resource and irrigation infrastructures among others are:
  - 1) raw water headrace; and/or
  - 2) irrigation network and water collection infrastructures and ancillary structures, such as weirs, dams, and dykes.
- d. Water supply infrastructures among others are:
  - 1) raw water unit;

- 2) production unit; and/or
  - 3) distribution unit.
- e. Centralized sewage management system infrastructures among others are:
- 1) service unit;
  - 2) collection unit;
  - 3) treatment unit;
  - 4) final discharge unit; and/or
  - 5) water drainage and sanitation.
- f. Local sewage management system infrastructures among others are:
- 1) local treatment unit;
  - 2) transportation unit;
  - 3) septage treatment unit;
  - 4) final discharge unit; and/or
  - 5) water drainage and sanitation.
- g. Solid waste management system infrastructures among others are:
- 1) transportation;
  - 2) treatment; and/or
  - 3) solid waste final processing.
- h. Telecommunication and informatics infrastructures among others are:
- 1) telecommunication network;
  - 2) e-government infrastructures; and/or
  - 3) passive infrastructures, like ducting.
- i. Energy and power infrastructures, including renewable energy infrastructures, among others are:
- 1) power infrastructures among others are:
    - i. power plants;
    - ii. power transmission;
    - iii. powerhouse; and/or
    - iv. power distribution.
  - 2) oil and gas infrastructures, including bioenergy, among others are:
    - i. treatment;
    - ii. storage;
    - iii. transportation; and/or
    - iv. distribution.

- j. Energy conservation infrastructures among others are:
  - 1) public lighting; and/or
  - 2) energy efficiency.
- k. Urban facility economic infrastructures among others are:
  - 1) utility channel (tunnel); and/or
  - 2) public market.
- l. Regional infrastructures among others are:
  - 1) area for development of science, technology, and innovation, including construction of science and technopark; and/or
  - 2) industrial estate.
- m. Tourism infrastructure among others is tourism information center.
- n. Education, research and development facility infrastructures among others are:
  - 1) learning facility;
  - 2) laboratory;
  - 3) training center;
  - 4) research or study center;
  - 5) facility and infrastructure of research and development;
  - 6) business incubator;
  - 7) learning gallery;
  - 8) student practice room;
  - 9) library; and/or
  - 10) supporting facility for learning and training.
- o. Infrastructures for sports, art, and culture among others are:
  - 1) sports building or stadium; and/or
  - 2) art and culture building.
- p. Health infrastructures among others are:
  - 1) hospital, such as hospital building, hospital facility, and medical equipment;
  - 2) basic health service facility, such as building, infrastructure, and medical equipment for public health centers and clinics; and/or
  - 3) health laboratory, such as health laboratory building, health laboratory infrastructure, and laboratory equipment.
- q. Community infrastructures among others are:
  - 1) correctional institution;
  - 2) community support center;



- 3) state detention house;
  - 4) state storehouse for seized goods;
  - 5) temporary child shelter;
  - 6) child support institution; and/or
  - 7) correctional institution's hospital.
- r. Public housing infrastructures among others are:
- 1) public houses for low class people; and/or
  - 2) rented simple flat.

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